

Press Release

Office of Mayor Sam Liccardo

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S.J. City Council Approves Raising Minimum Wage to \$15 by 2019

San Jose, Calif. – The San José City Council voted today to raise its minimum wage to \$15 per hour by January 1, 2019 as part of a regional effort to ensure more Silicon Valley residents benefit from the region's growing economic prosperity.

"Raising the minimum wage will provide a significant boost for the thousands of hard-working families in our community who are struggling to keep up with the extraordinarily high cost of living in Silicon Valley," said Mayor Sam Liccardo. "By moving forward together with many of our neighboring cities, even more residents will benefit from a higher wage and we will create a more level playing field for businesses throughout the region."

The vote culminated an effort launched by Mayor Liccardo in September 2015 to forge a regional approach to raising the minimum wage throughout Silicon Valley. Since then, Mayor Liccardo has convened a coalition of mayors from throughout Silicon Valley, as well as representatives the Cities Association of Santa Clara County, to commission an economic analysis studying the impacts of a potential wage increase and to develop a common proposal that each elected leader could bring back to their city councils.

The San José minimum wage increase matches recommendations from the Cities Association and coalition of mayors to reach a \$15 minimum wage by January 1, 2019 in three steps (\$12 in 2017, \$13.50 in 2018, and \$15 in 2019), with automatic annual cost of living increases (based on the CPI, up to 5%) every year thereafter.

The City Council adopted a July 1 implementation date for the initial 2017 wage increase so that the tens-of-thousands of San Jose businesses and non-profits have time to plan for the wage hike. The council also approved a narrow exemption for seasonal job training/educational programs that target disadvantaged youth.

San José joins a number of other Santa Clara County cities who have taken steps towards a \$15 minimum wage. Cupertino, Los Altos, Mountain View, Palo Alto and Sunnyvale have adopted ordinances to raise the minimum wage to \$15 per hour by 2019 (Mountain View and Sunnyvale are on track to reach \$15 by 2018). In addition, City Councils in Campbell, Milpitas, Santa Clara and Saratoga are expected to take up \$15 minimum wage proposals in the next few months.

According to the economic analysis commissioned by the City of San José, raising the minimum wage to \$15 by 2019 will generate an average pay increase of \$3,000 for 115,000 San José workers (31 percent of workforce), including a ripple effect for those who earn \$15-\$17.50 per hour.

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